

# Bill 40 Testimony



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May 18, 2020

Chair Anderson and Members of the Honolulu City Council  
Honolulu Hale  
530 South King Street, Room 202  
Honolulu, HI 96813-3077

**Subject: TESTIMONY OPPOSING BILL 40 (2020): Relating to Community Workforce Agreements**

Chair Anderson and Honolulu City Council Members:

We stand together with our customers, fellow employees, and the taxpayers in opposing Bill 40 which interferes unnecessarily with the construction industry. We are opposed to government mandated Community Workforce Agreements (CWA's), and government mandated Project Labor Agreements (PLA's) for public works projects.

If passed, Bill 40 will raise project costs for taxpayers of Honolulu and exclude taxpaying workers from participating in city projects because employers opposed to exclusionary CWA's and PLA's will choose not to bid. Our members that supply construction products may also choose not to supply products to those projects that have CWA's and PLA's.

Please do not interfere with the construction industry and the employer/employee relationships of Contractors that bid on City Contracts. It will surely increase the cost of projects for the City and County of Honolulu.

**We are in opposition to Bill 40 and government mandated Community Workforce Agreements and Project Labor Agreements.**

The City Council should be voting to repeal Ordinance 19-24 that you enacted last fall against strong opposition by the Construction Industry.

Thank you

Darren Orr  
99-1300 Halawa Valley Street  
Aiea, Hawaii, 96701



**TESTIMONY TO THE HONOLULU CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU HALE, COUNCIL CHAMBERS  
10:00 AM**

June 3, 2020

**RE: Bill No. 40, Relating to Community Workforce Agreements.**

Honorable Ikaika Anderson, Chair, Ann Kobayashi, Vice Chair and members of the Council:

My name is Dwight Mitsunaga, 2020 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii supports Bill No. 40, which proposes to amend Ordinance 19-24 by making Community Workforce Agreements optional as opposed to mandatory, as required in the existing Ordinance 19-24.

We believe the proposed amendment would create more opportunities for all businesses involved in the City's construction projects.

We are in support of Bill No. 40 and appreciate the opportunity to provide comments on this matter.

1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcahawaii.org](mailto:info@gcahawaii.org)  
Website: [www.gcahawaii.org](http://www.gcahawaii.org)



**GCA of Hawaii**

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Website

TO: HONORABLE COUNCIL CHAIR ANDERSON AND MEMBERS OF THE  
HONOLULU CITY COUNCIL

SUBJECT: TESTIMONY IN OPPOSITION TO BILL 40 - RELATING TO COMMUNITY  
WORKFORCE AGREEMENTS

Hearing

DATE: Wednesday, June 3, 2020  
TIME: 10:00 A.M.  
PLACE: Council Meeting Room  
Honolulu Hale

Dear Council Chair Anderson and members of the City and County of Honolulu Council:

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The mission of the GCA is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

Thank you for the opportunity to share our **opposition** to Bill 40 which seeks to amend Bill 37 which requires the City and County of Honolulu to negotiate a Community Workforce Agreement (CWA) for larger public works projects.

While we deeply appreciate the efforts of members of the City Council to amend Bill 37 which mandated CWAs, we do believe that the amendments proposed in Bill 40 only strengthen that effort, that this is an inappropriate role for the City to play and that this is an inappropriate time, given the current health and economic crisis that the City faces, to move forward with Bill 40.

**We suggest that a better approach would be to re-peal Bill 37 altogether.**

**Opposition:**

GCA member firms provide the highest quality services to public and private sector clients in the commercial and public building, highway, heavy industrial and municipal utility construction markets, as well as in international markets. GCA represents equally construction firms that operate with collective bargaining agreements and those that operate on an "open shop" basis.

As GCA proudly counts among its members both unionized and non-union general contractors and subcontractors, it is our duty to share with the council that both our union and non-unionized members alike oppose mandating CWAs or any similar type of restriction on public projects.

**Open competition:**

GCA is committed to free and open competition in all public construction markets and believes that publicly-funded contracts should be awarded without regard to the lawful labor relations

policies and practices of the government contractor. GCA is committed to full and open competition for all public projects and is in support of the well-established principle that taxpayer-financed construction must be open to all qualified firms regardless of their labor policy.

**CWAs restrict choice:**

CWAs effectively compel both union and open shop contractors to alter their hiring practices, work rules, job assignments, and benefits in order to compete for or to perform work on publicly funded projects thus limiting the number of qualified firms that can bid for tax-payer funded construction projects.

Our members strongly believe that the choice of whether to adopt a collective bargaining agreement should be left to the contractor-employers and their employees, and that such a choice should not be imposed as a condition to competing for, or performing on, a publicly funded project.

Moreover, government mandates and preferences for CWAs can drive up costs, cause delays, lead to jobsite disputes and disrupt local collective bargaining. In cases where use of a CWA would benefit a particular project, the construction contractors otherwise qualified to perform the work would be the first to recognize that fact and to adopt a CWA voluntarily. They would also be the most qualified to negotiate the terms of such an agreement.

**No evidence of the performance benefits of CWAs:**

There is no reliable evidence that CWAs improve performance or have a significant impact in promoting high-quality construction. While case studies of the economic benefits of CWAs have had varying conclusions, the Government Accounting Office recently reported that it could not document the alleged benefits of past mandates for CWAs on federal projects and that it doubted such benefits could ever be documented due to the difficulty of finding projects similar enough to compare and the difficulty of conclusively demonstrating that performance differences were due to the CWA versus other factors.

**Inappropriate role for the City and County of Honolulu to play:**

Should Bill 40 move forward, it will be forcing union representation on all construction employees working on the public project regardless of their wishes. This has never been a legitimate or proper role for a public entity. CWAs violate the well-established-principle that public entities have no business in determining the labor policies of private contractors.

**Inappropriate time to address:**

Given the immense health and economic crisis the City is experiencing, we believe that this is a time for the City to work with the entire construction industry to streamline processes such as entitlement and permitting, and focus on initiatives that could potentially spur greater construction activity, rather than impede it.

GCA opposes Bill 40.

Thank you for the opportunity to share our opposition.



**Testimony to the City & County of Honolulu City Council  
Wednesday, June 3, 2020 at 10:00 A.M.  
City Council Chamber, Honolulu Hale**

**RE: BILL 40, RELATING TO COMMUNITY WORKFORCE**

Chair Anderson, Vice Chair Kobayashi, and Members of the Council:

The Chamber of Commerce Hawaii ("The Chamber") has concerns regarding Council Bill 40, which would amend provisions of Ordinance 19-24, relating to community workforce agreements or CWAs.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate that the City Council has attempted to amend the previously passed Bill 37, which ultimately became Ordinance 19-24. Unfortunately, we remain concerned about the impact that this bill will have on open shop contractors. Questions remain about the impact on how government mandates and the preference for CWAs could drive up costs or cause delays on projects and disrupt local collective bargaining. The choice of whether or not to adopt collective bargaining agreements should be left to the contractors and their employees instead of being imposed as a condition to compete for a publicly funded project.

Additionally, the current Coronavirus (COVID-19) pandemic continues to cripple our state's economy. More than 200,000 workers have lost their jobs and our state has gone from having one of the lowest unemployment rates in the nation, to having the highest in just a matter of weeks. Hawaii's families are struggling to make it financially through the crisis. Given the current ongoing crisis, we feel that now is not the time to enact measures that would hamper recovery and job creation for our construction industry.

Thank you for the opportunity to testify on Council Bill 40.

**From:** CLK Council Info  
**Sent:** Tuesday, June 2, 2020 12:54 PM  
**Subject:** Council/Public Hearing Speaker Registration/Testimony

## Speaker Registration/Testimony

Name Christine Lanning  
 Phone 8088364094  
 Email christine@istechs.net  
 Meeting Date 06-03-2020  
 Council/PH Committee Council  
 Agenda Item Bill 40  
 Your position on the matter Oppose  
 Representing Organization  
 Organization  
 Do you wish to speak at the hearing? Yes

Written  
 Testimony

Aloha members of the Honolulu City Council Committee on Budget, I am submitting testimony today in strong opposition to Bill 40 (2020) — RELATING TO COMMUNITY WORKFORCE AGREEMENTS. As the SBA Small Business Leader of the Year in Hawaii for 2020 it is my duty to fight for small business opportunities in Hawaii. This bill would be detrimental to many small contracting businesses in Hawaii. Now more than ever, in light of COVID-19, small businesses need your help to stop this bill from advancing. Integrated Security Technologies, Inc. started in Hawaii in 1998 against all odds and we perform a tremendous amount of State and City work – some under the State of Hawaii DBE (disadvantaged business enterprise) program. Our 40 employees are non-union, and this proposed bill would essentially exclude us from bidding these projects in the future. That would impact my business along with other DBE companies in Hawaii. Proponents say that local infrastructure projects should be composed primarily of local workers. My workers are local and 70% of them live in Kymberly Pine's district. Councilwoman Pine are you okay with me having to lay off workers in your district because we won't bid on City projects that require community workforce agreements? Hiring local workers is already a Hawaii State Law (HRS 103B). They say labor unions provide fair wages and benefits. I'm sure they

do. But so do we. Our company has been a Hawaii Business Magazine Best Places to Work since 2013 and Pacific Business News Best Workplaces since 2018. That means independent third-party organizations verify that we offer the best to our employees. In fact, we give an automatic 3% of salary, profit sharing AND the fringe benefit (that we have to pay for Davis Bacon or SCA wages) into the 401k plan. What happens to the vestiture of those benefits along with the excellent medical/dental benefits, the generous PTO we offer, our new sick leave policy we just instituted and our performance incentive program for high utilization in the field? What happens to those benefits if we do a project for the City under this community workforce agreement and our employees pay union benefits?? They say CWA's ensure a qualified and well trained workforce. This bill states that "the construction crafts that work on public works projects require a supply of new apprentices to perpetuate those crafts into the future". Yet NO union in Hawaii has been able to train our labor force. Our employees are a cross breed, requiring both low voltage electronic and IT skills. We train our OWN employees, using our OWN money, right out of high school. These employees have a genuine opportunity for long-term, well-paid careers in the construction industry WITHOUT having the committee years to a union or pay union dues. We spend on average \$20k per year for our technicians to attend training – without cost to them.

The say labor unions provide continuing education opportunities and mandatory certification update classes. 4 hours is all that is required for continuing education for an electrician – I do not know the minimum amount for other trades. What I do know is that we provide over 100 hours of mandatory training PER YEAR for our technicians. Training includes technician, safety, leadership, customer service, and IT training. That means we provide 2500% more training than the electrical union we would be assigned to.

They say that CWA's guarantee that projects will continue without interruption, disruption, or delay resulting from a dispute between labor and management. I cannot believe this is even an issue. I have never had any of our employees disrupt or delay a project due to a dispute between labor and management. In fact, as of today NONE of our employees have stopped working due to the COVID-19 pandemic. Each of them has continued working. We don't have a union, a union boss, or any other bureaucracy that would create such a disruption. We don't think we take care of our employees. We KNOW we do as a Best Place to Work!

They say that CWA's do not create a more expensive project because everyone is on prevailing wage. If this was true that every bid would be the same dollar amount. Prevailing wage guarantees the wage that is paid to the employee (which is good) but it doesn't discuss overhead, efficiency, or benefits. To say CWA's don't create a more expensive project is contrary to most research out there. See prior testimony submitted from the Grassroots Institute of Hawaii.

I will end with this:

- IST offers paid internships
- IST hires military veterans and national guardsmen (over 30% of



our workforce fit into these categories)

- IST has a "try before you commit" program (work for two weeks paid with no commitment to see if you like the job)

- IST is working with Associated Builders and Contractors (ABC) to start an apprenticeship program for the low voltage industry which encompasses fire, telecommunication, audio/visual and building control companies

Our company has been growing 20% per year and even in light of the pandemic do not see any end to the growth coming from all sectors – DoD, City & County, State, and Commercial Business. Is it really the goal of the City Council to continue to create road blocks to prevent small businesses not affiliated with a union the ability to work? Stop trying to find a solution to a problem that does not exist. Stop trying to implement additional regulation that is harmful to small business!

Testimony

Attachment

Accept Terms  
and Agreement

1

IP: 192.168.200.67



# LiUNA!

June 3, 2020

## Honolulu City Council Regular Meeting

PETER A. GANABAN  
*Business Manager/  
Secretary-Treasurer*

ALFONSO OLIVER  
*President*

JOBY NORTH II  
*Vice President*

TONI FIGUEROA  
*Recording Secretary*

JAMES DRUMGOLD JR.  
*Executive Board*

ORLANDO PAESTE  
*Executive Board*

JOSEPH YAW  
*Executive Board*

MARTIN ARANAYDO  
*Auditor*

RUSSELL NAPIHA'A  
*Auditor*

MARK TRAVALINO  
*Auditor*

ALFRED HUFANA JR.  
*Sergeant-At-Arms*

Date: June 3, 2020  
Time: 10:00 am  
Place: City Council Chamber

## RE: BILL 40 RELATING TO COMMUNITY WORKFORCE AGREEMENTS

Chair Anderson, Vice-Chair Kobayashi and Councilmembers,

The Hawaii Laborers' Union; Local 368 **supports** Bill 40 Relating to Community Workforce Agreements.

Community Workforce Agreements are more important now than ever before, as we all know construction is one of the key economic indicators as to a healthy economy as well as a key indicator of a recovering economy. In general, construction leads the way to economic recovery.

Organized labor on construction projects not only provides the opportunity to have more on-time, on-budget, and higher quality projects delivered to the City and County of Honolulu. Organized labor also provides good pay, medical benefits, and retirement for its members, which eases the burden, especially in present times on government services (Unemployment, Medicaid, SNAP) that are already stressed to their limits under the COVID-19 threat.

In addition to the benefits organized labor would provide to the City and County in normal times, Community Workforce Agreements we feel that CWAs are essential to the recovery of County and State's economic recovery.

Therefore, the Hawaii Laborers' Union believes that it is in the interest of the State and City and County's present economy, and an economy soon to be on the mend, that we respectfully request that this Council **pass Bill 40 (2020).**

LiUNA Local 368  
1617 Palama Street  
Honolulu, HI 96817  
Phone: (808) 841-5877  
Fax: (808) 847-7829  
[www.local368.org](http://www.local368.org)

## Feel the Power

From: Marcelino Medrano [mailto:wordpress@aikeahawaii.org]  
Sent: Tuesday, June 2, 2020 1:10 PM  
To: CLK Council Info  
Cc: Pine, Kymberly Marcos; Anderson, Ikaika; Fukunaga, Carol A; Tsuneyoshi, Heidi; mformby@honolulu.gov; Manahan, Joey; Menor, Ron; Kobayashi, Ann; Elefante, Brandon; Waters, Tommy; mmedrano@5.unitehere.org  
Subject: Testimony: SUPPORT Bill 85 CD2 FD1 and Bill 89 CD2 FD1

From: Marcelino Medrano <mmedrano@5.unitehere.org>  
Subject: Testimony: SUPPORT Bill 85 CD2 FD1 and Bill 89 CD2 FD1

Message Body:

Dear Honolulu City Councilmembers:

I strongly support Bill 85 CD2 FD1 and Bill 89 CD2 FD1, both submitted by Councilmember Menor, because they address the need to enforce illegal vacation rentals to protect our affordable housing. A key part of enforcement is holding platforms like Airbnb accountable and making sure they're transparent with their data on their hosts and listings.

Bill 85 CD2 FD1 in particular has strong enforcement provisions, including allowing neighbors to file complaints or take private actions against illegal vacation rentals in their neighborhoods.

Please pass a bill with strong enforcement against illegal vacation rentals to protect our affordable housing for the future of our families and Hawaii.

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This e-mail was sent from a contact form on AiKea Hawaii (<https://www.aikeahawaii.org>)

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**From:** CLK Council Info  
**Sent:** Tuesday, June 2, 2020 1:46 PM  
**Subject:** Council/Public Hearing Speaker Registration/Testimony

## Speaker Registration/Testimony

Name	Malcolm Barcarse Jr
Phone	808-682-4024
Email	malcolmjr@abelectrichi.com
Meeting Date	06-03-2020
Council/PH Committee	Council
Agenda Item	Bill 40
Your position on the matter	Oppose
Representing	Organization
Organization	Associated Builders and Contractors Hawaii Chapter
Do you wish to speak at the hearing?	No
Written Testimony	
Testimony Attachment	
Accept Terms and Agreement	1

IP: 192.168.200.67